



February 16, 2005

SENATE BILL No. 327

DIGEST OF SB 327 (Updated February 15, 2005 12:27 pm - DI 52)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Property tax. Delays the next general reassessment of real property by two years and requires general reassessments every five years thereafter. Delays until 2006 implementation of annual adjustments of real property tax assessments. Amends the factors to be included in the annual adjustment rule of the department of local government finance (DLGF). Allows assessors to employ professional appraisers to assist with annual adjustments. Requires the DLGF to: (1) review and certify annual adjustments; (2) establish local deadlines in the determination of annual adjustments; (3) provide training to assessors and county auditors in the verification of sales; (4) approve a determination by assessors to not employ a professional appraiser for a general reassessment; and (5) adopt rules for the establishment of a statewide integrated property tax management system. Allows the DLGF to take over local assessment, reassessment, or annual adjustment activities if it determines that the activities are not being performed properly. Renames the assessment training fund as the assessment training and administration fund, extends for four years the \$10 sales disclosure form filing fee, requires deposit of 40% of the revenue from the fee in that fund instead of the state general fund, and allows the Indiana board of tax review to use money in the fund to conduct appeal activities. Eliminates the county property tax reassessment fund and provides for funding of assessment activities through the general fund. Directs the department of state revenue to withhold state property tax replacement fund distributions to counties for various reasons. Prohibits an appraiser or a technical advisor that serves a township or county from representing taxpayers in the county. Authorizes a refund of property taxes paid by an exempt sorority that meets certain criteria.

Effective: Upon passage; July 1, 2005.

Hume, Kenley

January 6, 2005, read first time and referred to Committee on Tax and Fiscal Policy.
February 15, 2005, amended, reported favorably — Do Pass.

SB 327—LS 7825/DI 52+



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February 16, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 327

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-4-4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general
3 reassessment, involving a physical inspection of all real property in
4 Indiana, shall begin July 1, 2000, and be the basis for taxes payable in
5 2003.
6 (b) A general reassessment, involving a physical inspection of all
7 real property in Indiana, shall begin July 1, ~~2007~~, **2009**, and each ~~fourth~~
8 **fifth** year thereafter. Each reassessment under this subsection:
9 (1) shall be completed on or before March 1, of the ~~immediately~~
10 ~~following odd-numbered~~ year **that succeeds by two (2) years the**
11 **year in which the general reassessment begins;** and
12 (2) shall be the basis for taxes payable in the year following the
13 year in which the general assessment is to be completed.
14 (c) In order to ensure that assessing officials and members of each
15 county property tax assessment board of appeals are prepared for a
16 general reassessment of real property, the department of local
17 government finance shall give adequate advance notice of the general

SB 327—LS 7825/DI 52+



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reassessment to the county and township taxing officials of each county.

SECTION 2. IC 6-1.1-4-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.

(b) The system must be applied to adjust assessed values beginning with the ~~2005~~ 2006 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The ~~system must have~~ **rules adopted under subsection (a) must include** the following characteristics **in the system**:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) ~~Apply all objectively verifiable factors used in mass valuation techniques that are reasonably expected to affect the value of real property in Indiana.~~

(3) ~~Prescribe as many adjustment percentages and whatever categories of percentages the department of local government finance finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.~~

(2) **Require that assessing officials:**

(A) **reevaluate the factors that affect value;**

(B) **express the interactions of those factors mathematically;**

(C) **use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and**

(D) **provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.**

~~(4) (3) Prescribe procedures including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials.~~

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

SECTION 3. IC 6-1.1-4-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) **For purposes of this section, "assessor" means:**

(1) **a township assessor; or**

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(2) a county assessor who assumes the responsibility for verifying sales under 50 IAC 21-3-2(b).

(b) The department of local government finance shall provide training to assessors and county auditors with respect to the verification of sales disclosure forms under 50 IAC 21-3-2.

SECTION 4. IC 6-1.1-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) For purposes of making a general reassessment of real property or annual adjustments under section 4.5 of this chapter, any township assessor and any county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:
 - (A) qualified to determine real property values;
 - (B) professional appraisers certified under 50 IAC 15; The assessor may employ a technical advisor and
 - (C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 5. IC 6-1.1-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a:

- (1) township assessor; or
 - (2) group consisting of the county assessor and the township assessors in a county;
- may employ professional appraisers as technical advisors. A decision by one (1) or more assessors referred to in subdivisions (1) and (2) to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.

(b) After notice to the county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

- (1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;
- (2) appoint an assessor or a group of assessors to:
 - (A) enter into and administer the contract with a professional appraiser employed under this section; and
 - (B) oversee the work of a professional appraiser employed

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under this section.

Each township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations ~~contained~~ in section ~~18(a)~~ **18.5** of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 6. IC 6-1.1-4-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) **For calendar year 2005 and each preceding calendar year**, the auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in levies for the county's property reassessment fund.

(b) ~~With respect to a general reassessment of real property that is to commence on July 1, 2007, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.~~

(c) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(b) **For property taxes first due and payable in 2006 and each subsequent calendar year, the fiscal body of each county shall impose a property tax levy sufficient, after consideration of other funds available for the purpose, to pay costs referred to in section 28.5(a) of this chapter in the calendar year.**

(d) (c) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a general reassessment; ~~including a general reassessment to be completed for the March 1, 2002, assessment date; or~~

(2) **making annual adjustments under section 4.5 of this chapter;**

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(c) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under sections 28.5 and 32 of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under sections 28.5 and 32 of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from the tax levy under this section for 2000 or a later year.

(d) The county assessor or township assessor may petition the county fiscal body to increase the levy under subsection (b) to pay for the costs of:

- (1) a general reassessment;
- (2) verification of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or
- (3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(e) If the county fiscal body denies a petition under subsection (d), the assessor may appeal to the department of local government finance. The department of local government finance shall:

- (1) hear the appeal; and
- (2) determine whether the additional levy is necessary.

SECTION 7. IC 6-1.1-4-28.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter **and money from property taxes imposed under section 27.5(b) of this chapter** may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books; ~~and~~
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials;
- (6) making annual adjustments under section 4.5 of this

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chapter; and

(7) the verification of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. ~~until the money is needed to pay general reassessment expenses.~~ Any interest received from investment of the money shall be paid into the property reassessment fund. **The county treasurer shall transfer the balance in the county property reassessment fund as of December 31, 2005, to the county general fund.**

(d) ~~An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor does not review an appropriation under this section; and only the fiscal body must approve an appropriation under this section.~~

SECTION 8. IC 6-1.1-4-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

(1) a general reassessment of property;

(2) **work required to be performed by local officials under 50 IAC 21; and**

(3) **other property assessment activities in the county, as determined by the department.**

The department of local government finance may inform township assessors, county assessors, and the presidents of county councils in writing if its check reveals that the general reassessment ~~is or other property assessment activities are~~ not being properly conducted, **work required to be performed by local officials under 50 IAC 21 is not being properly conducted**, or if property assessments ~~under the general reassessment~~ are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that:

(1) the general reassessment ~~is or other property assessment activities are~~ being properly conducted;

(2) **work required to be performed by local officials under 50 IAC 21 is being properly conducted; or that**

(3) property assessments ~~under the general reassessment~~ are being properly made.

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(c) If the department of local government finance:

(1) determines under subsection (a) that a general reassessment or other assessment activities for a general reassessment year or any other year are not being properly conducted; and

(2) informs:

(A) the township assessor or each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may order a state conducted assessment or reassessment under section 31.5 of this chapter.

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor or each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted.

(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

SECTION 9. IC 6-1.1-4-31.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.5. (a) As used in this section, "assessment official" means any of the following:

(1) A county assessor.

(2) A township assessor.

(3) A township trustee-assessor.

(b) As used in this section, "department" refers to the department of local government finance.

(c) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county.

(d) If the department orders a state conducted assessment or

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reassessment in a county, the department shall assume the duties of the county's assessment officials. Notwithstanding sections 15 and 17 of this chapter, an assessment official in a county subject to an order issued under this section may not assess property or have property assessed for the assessment or general reassessment. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of an assessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(e) Before assuming the duties of a county's assessment officials, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county's assessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(f) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the

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department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from county funds. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:
 - (A) a duplicate copy of the bill submitted to the department;
 - (B) proof of the department's approval of the form and amount of the bill; and
 - (C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits

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of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

(l) If county funds are insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department.

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Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessment officials of the land values determined under this subsection.

(n) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive;

or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (j) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (j) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(o) The department, upon receiving notice under subsection (n) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (n)(1) or (n)(2); or

(B) a person or an entity acted or failed to act as described in subsection (n)(3); and

(2) provide to the treasurer of state the department's approval under subsection (j)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (n).

(p) Upon receipt of the department's approval of a contractor's bill under subsection (o), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

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(q) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or any other law to a county described in a notice provided under subsection (n) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (p). Money shall be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.

(r) Compliance with subsections (n) through (q) constitutes compliance with IC 5-11-10.

(s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (n) through (q). This subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 10. IC 6-1.1-4-31.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.6. (a) Subject to the other requirements of this section, the department of local government finance may:

- (1) negotiate an addendum to a contract referred to in section 31.5(g) of this chapter that is treated as a contract of the department; or
- (2) include provisions in a contract entered into by the department under section 31.5(g) of this chapter;

to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

- (1) discuss the specifics of the taxpayer's assessment or reassessment;
- (2) review the taxpayer's property record card;
- (3) explain to the taxpayer how the assessment or reassessment was determined;
- (4) provide to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the

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1 assessment or reassessment;
 2 (5) note and consider objections of the taxpayer;
 3 (6) consider all errors alleged by the taxpayer; and
 4 (7) otherwise educate the taxpayer about:
 5 (A) the taxpayer's assessment or reassessment;
 6 (B) the assessment or reassessment process; and
 7 (C) the assessment or reassessment appeal process under
 8 section 31.7 of this chapter.

9 (c) Following an informal hearing referred to in subsection (b),
 10 the contractor shall:

11 (1) make a recommendation to the department of local
 12 government finance as to whether a change in the
 13 reassessment is warranted; and

14 (2) if recommending a change under subdivision (1), provide
 15 to the department a statement of:

16 (A) how the changed assessment or reassessment was
 17 determined; and

18 (B) the amount of the changed assessment or reassessment.

19 (d) To preserve the right to appeal under section 31.7 of this
 20 chapter, a taxpayer must initiate the informal hearing process by
 21 notifying the department of local government finance or its
 22 designee of the taxpayer's intent to participate in an informal
 23 hearing referred to in subsection (b) not later than forty-five (45)
 24 days after the department of local government finance gives notice
 25 under section 31.5(h) of this chapter to taxpayers of the amount of
 26 the reassessment.

27 (e) The informal hearings referred to in subsection (b) must be
 28 conducted:

29 (1) in the county where the property is located; and

30 (2) in a manner determined by the department of local
 31 government finance.

32 (f) The department of local government finance shall:

33 (1) consider the recommendation of the contractor under
 34 subsection (c); and

35 (2) if the department accepts a recommendation that a change
 36 in the assessment or reassessment is warranted, accept or
 37 modify the recommended amount of the changed assessment
 38 or reassessment.

39 (g) The department of local government finance shall send a
 40 notice of the result of each informal hearing to:

41 (1) the taxpayer;

42 (2) the county auditor;

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(3) the county assessor; and

(4) the township assessor of the township in which the property is located.

(h) A notice under subsection (g) must:

(1) state whether the assessment or reassessment was changed as a result of the informal hearing; and

(2) if the assessment or reassessment was changed as a result of the informal hearing:

(A) indicate the amount of the changed assessment or reassessment; and

(B) provide information on the taxpayer's right to appeal under section 31.7 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the assessment or reassessment under section 31.5(h) of this chapter:

(1) the department may not change the amount of the assessment or reassessment under the informal hearing process described in this section; and

(2) the taxpayer may appeal the assessment or reassessment under section 31.7 of this chapter.

(j) The department of local government finance may adopt rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under section 31.5(i) of this chapter.

SECTION 11. IC 6-1.1-4-31.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment or reassessment under section 31.5(h) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) participate in the informal hearing process under section 31.6 of this chapter;

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(2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or

(B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

(3) evidence necessary to warrant a change to an assessment or reassessment.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county property reassessment fund.

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

(1) set a hearing date;

(2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:

(A) the taxpayer;

(B) the department of local government finance;

(C) the township assessor; and

(D) the county assessor;

(3) conduct a hearing and hear all evidence submitted under this section; and

(4) make evidentiary findings and file a report with the Indiana board.

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(h) At the hearing under subsection (g):

(1) the taxpayer shall present:

(A) the taxpayer's evidence that the assessment or reassessment is incorrect;

(B) the method by which the taxpayer contends the assessment or reassessment should be correctly determined; and

(C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and

(2) the department of local government finance shall present its evidence that the assessment or reassessment is correct.

(i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).

(j) The township assessor and the county assessor may attend and participate in the hearing under subsection (g).

(k) The Indiana board may:

(1) consider the report of the special masters under subsection (g)(4);

(2) make a final determination based on the findings of the special masters without:

(A) conducting a hearing; or

(B) any further proceedings; and

(3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.

(l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:

(1) establish procedures to expedite:

(A) the conduct of hearings under subsection (g); and

(B) the issuance of determinations of appeals under subsection (k); and

(2) establish deadlines:

(A) for conducting hearings under subsection (g); and

(B) for issuing determinations of appeals under subsection (k).

(m) A determination by the Indiana board of an appeal under subsection (k) is subject to appeal to the tax court under IC 6-1.1-15.

SECTION 12. IC 6-1.1-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) Except as provided in subsection (b), before an owner of real property

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demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars (\$500) for materials or labor, or both, the owner or the owner's agent shall file with the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated.

(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.

(e) A fee of five dollars (\$5) shall be charged by the county assessor for the filing of the assessment registration notice. All fees collected by the county assessor:

(1) before January 1, 2006, shall be deposited in the county property reassessment fund; and

(2) after December 31, 2005, shall be deposited in the county general fund.

(f) A township or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

(g) Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the county assessor at the time the person files the late registration

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notice.

SECTION 13. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.1-2004, SECTION 10, AND AS AMENDED BY P.L.23-2004, SECTION 11, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training **and administration** fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in *the* fund may be used by:

(1) the department of local government finance to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; ~~The fund shall be administered by the treasurer of state; or~~

(2) the Indiana board to:

(A) conduct appeal activities; or

(B) pay for appeal services.

~~(b) The expenses of administering the fund shall be paid from money in the fund.~~

~~(c) (b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund.~~

~~(d) (c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.~~

SECTION 14. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is

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not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund **or other funds available for assessment or reassessment purposes** under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(b) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(c) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

- (1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and
- (2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(c) of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, and the county auditor:

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection (c); and

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(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of ninety (90) days after the hearing or the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of one hundred eighty (180) days after the hearing or the date set in an extension order issued by the Indiana board.

(i) Except as provided in subsection (n), the Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the

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hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(l) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

(o) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 15. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The

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Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If ~~of~~ the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund **or other funds available for assessment or reassessment purposes** under IC 6-1.1-4-27.5. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section is a

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party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor.

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

(1) a judicial proceeding is initiated under this subsection; and

(2) the Indiana board has not issued a determination;

the tax court shall determine the matter de novo.

SECTION 16. IC 6-1.1-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

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(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such

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1 additional information as the department may require.

2 (d) All distributions provided for in this section shall be made on
3 warrants issued by the auditor of state drawn on the treasurer of state.
4 If the amounts allocated by the department from the property tax
5 replacement fund exceed in the aggregate the balance of money in the
6 fund, then the amount of the deficiency shall be transferred from the
7 state general fund to the property tax replacement fund, and the auditor
8 of state shall issue a warrant to the treasurer of state ordering the
9 payment of that amount. However, any amount transferred under this
10 section from the general fund to the property tax replacement fund
11 shall, as soon as funds are available in the property tax replacement
12 fund, be retransferred from the property tax replacement fund to the
13 state general fund, and the auditor of state shall issue a warrant to the
14 treasurer of state ordering the replacement of that amount.

15 (e) Except as provided in subsection (f) **(g) and subject to**
16 **subsection (h)**, the department shall not distribute under subsection (b)
17 and section 10 of this chapter **a percentage determined by the**
18 **department of** the money ~~attributable to the county's property~~
19 ~~reassessment fund that would otherwise be distributed to the county~~
20 **under subsection (b) and section 10 of this chapter if:**

21 (1) by the date the distribution is scheduled to be made, the
22 county auditor has not sent a certified statement required to be
23 sent by that date under IC 6-1.1-17-1 to the department of local
24 government finance;

25 (2) by the deadline under IC 36-2-9-20, the county auditor has not
26 transmitted data as required under that section; ~~or~~

27 (3) the county assessor has not forwarded to the department of
28 local government finance the duplicate copies of all approved
29 exemption applications required to be forwarded by that date
30 under IC 6-1.1-11-8(a);

31 **(4) the county assessor has not forwarded to the department**
32 **of local government finance in a timely manner sales**
33 **disclosure forms under IC 6-1.1-5.5-3(b);**

34 **(5) local assessing officials have not provided information to**
35 **the department of local government finance in a timely**
36 **manner under IC 4-10-13-5(b);**

37 **(6) the county auditor has not paid a bill for services under**
38 **IC 6-1.1-4-31.5 to the department of local government finance**
39 **in a timely manner;**

40 **(7) the elected township assessors in the county, the elected**
41 **township assessors and the county assessor, or the county**
42 **assessor has not transmitted to the department of local**

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government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i) if the elected township assessors in the county; the elected township assessors and the county assessor; or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b); the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by October 1 as described in this section bears to the total number of townships in the county.

(g) ~~(f)~~ Except as provided in subsection (i), money not distributed for the reasons stated in subsection ~~(c)(1)~~ and ~~(c)(2)~~ (e) shall be distributed to the county when

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);

with respect to which the failure to send or forward resulted in the withholding of the distribution under subsection (c).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county; the elected township assessors and the county assessor; or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f); determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

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has been corrected.

(i) (g) The restrictions on distributions under ~~subsections~~
~~subsection (e) and (f)~~ do not apply if the department of local
government finance determines that

(1) the failure of:

(A) a county auditor to send a certified statement; or

(B) a county assessor to forward copies of all approved
exemption applications;

as described in subsection (e); or

(2) the failure of an official to transmit data as described in
subsection (f);

to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty
(30) days notice in writing before withholding a distribution under
subsection (e).

(i) Money not distributed for the reason stated in subsection
(e)(6) may be deposited in the fund established by
IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not
subject to distribution under subsection (f).

SECTION 17. IC 6-1.1-31.5-2 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **Subject to
section 3.5(e) of this chapter**, the department shall adopt rules under
IC 4-22-2 to prescribe computer specification standards and for the
certification of:

(1) computer operating systems;

(2) computer software;

(3) software providers;

(4) computer service providers; and

(5) computer equipment providers.

(b) The rules of the department shall provide for:

(1) the effective and efficient administration of assessment laws;

(2) the prompt updating of assessment data;

(3) the administration of information contained in the sales
disclosure form, as required under IC 6-1.1-5.5; and

(4) other information necessary to carry out the administration of
the property tax assessment laws.

(c) After December 31, 1998, **subject to section 3.5(e) of this
chapter**, a county may contract only for computer software and with
software providers, computer service providers, and equipment

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providers that are certified by the department under the rules described in subsection (a).

(d) The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.

SECTION 18. IC 6-1.1-31.5-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) After December 31, 1998, **and until the system described in subsection (e) is implemented**, each county shall maintain a state certified computer system that has the capacity to:

- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices;
- (4) maintain complete and accurate assessment records for the county; and
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on ~~the~~ **a computer system referred to in subsection (a)** shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the department of local government finance; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system **referred to in subsection (a)** used by the counties must be:

- (1) compatible with the data export and transmission requirements in a standard format prescribed by the department of local government finance; ~~The certified system must be and~~
- (2) maintained in a manner that ensures prompt and accurate transfer of data to the department.

(d) All standardized property forms and notices on the certified computer system **referred to in subsection (a)** shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the

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1 county.

2 (e) The department shall adopt rules before July 1, 2006, for the
3 establishment of:

4 (1) a uniform and common property tax management system
5 among all counties that:

6 (A) includes mass appraisal systems integrated with county
7 auditor systems and county treasurer systems; and

8 (B) replaces the computer system referred to in subsection
9 (a); and

10 (2) a schedule for implementation of the system referred to in
11 subdivision (1) structured to result in the implementation of
12 the system in all counties with respect to an assessment date:

13 (A) determined by the department; and

14 (B) specified in the rule.

15 (f) The department shall appoint an advisory committee to assist
16 the department in the formulation of the rules referred to in
17 subsection (e). The department shall determine the number of
18 members of the committee. The committee:

19 (1) must include at least:

20 (A) one (1) township assessor;

21 (B) one (1) county assessor; and

22 (C) one (1) county auditor; and

23 (2) shall meet at times and locations determined by the
24 department.

25 (g) Each member of the committee appointed under subsection
26 (f) who is not a state employee is not entitled to the minimum
27 salary per diem provided by IC 4-10-11-2.1(b). The member is
28 entitled to reimbursement for traveling expenses as provided under
29 IC 4-13-1-4 and other expenses actually incurred in connection
30 with the member's duties as provided in the state policies and
31 procedures established by the Indiana department of
32 administration and approved by the budget agency.

33 (h) Each member of the committee appointed under subsection
34 (f) who is a state employee is entitled to reimbursement for
35 traveling expenses as provided under IC 4-13-1-4 and other
36 expenses actually incurred in connection with the member's duties
37 as provided in the state policies and procedures established by the
38 Indiana department of administration and approved by the budget
39 agency.

40 (i) The department shall report to the budget committee in
41 writing the department's estimate of the cost of implementation of
42 the system referred to in subsection (e).

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SECTION 19. IC 6-1.1-31.7-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. An individual or a firm that is:**

(1) an appraiser; or

(2) a technical advisor under IC 6-1.1-4;

in a county may not serve as a tax representative of any taxpayer with respect to property subject to property taxes in the county before the county property tax assessment board of appeals of that county or the Indiana board of tax review.

SECTION 20. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the real property within the township or county; and

(2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance

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to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

(2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

(1) cause the assessment of the property to be adjusted;

(2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and

(3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department

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shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund **or other funds available for assessment or reassessment purposes.**

SECTION 21. IC 6-1.1-35.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. A county that is required to make a payment to an assessing official, a county assessor, or member of, and hearing officers for, the county property tax assessment board of appeals under this chapter must make the payment regardless of an appropriation. The payment may be made from the county's cumulative reassessment fund **or other funds available for assessment or reassessment purposes.**

SECTION 22. P.L.245-2003, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: (a) Notwithstanding IC 6-1.1-5.5-4(a), a person filing a sales disclosure form under IC 6-1.1-5.5 with respect to a sale of real property that occurs:

(1) after December 31, 2003; and

(2) before January 1, ~~2006~~, **2010**;

shall pay a fee of ten dollars (\$10) to the county auditor.

(b) Notwithstanding IC 6-1.1-5.5-4(b) and IC 6-1.1-5.5-12(d), fifty percent (50%) of the revenue collected under:

(1) subsection (a); and

(2) IC 6-1.1-5.5-12;

for the period referred to in subsection (a) shall be deposited in the county sales disclosure fund established under IC 6-1.1-5.5-4.5. Ten percent (10%) of the revenue **collected before July 1, 2005**, shall be transferred to the treasurer of state for deposit in the assessment training **and administration** fund established under IC 6-1.1-5.5-4.7. Forty percent (40%) of the revenue **collected before July 1, 2005**, shall be transferred to the treasurer of state for deposit in the state general fund. **Fifty percent (50%) of the revenue collected after June 30, 2005, shall be transferred to the assessment training and administration fund established under IC 6-1.1-5.5-4.7.**

(c) The department of local government finance may provide training of assessment officials and employees of the department through the Indiana chapter of the International Association of Assessing Officers on various dates and at various locations in Indiana.

(d) This SECTION expires January 1, ~~2007~~, **2010**.

SECTION 23. [EFFECTIVE UPON PASSAGE] (a) **Notwithstanding subsection (b) or the amendments to IC 6-1.1-4-4.5 by this act, county assessors, township assessors, and**

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township trustee assessors shall:

(1) verify sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; and

(2) proceed with other duties under 50 IAC 21;

so that the completion of those actions is accomplished on a schedule that is as close as possible to the schedules for completion of those actions under 50 IAC 21 that applied before the amendment of IC 6-1.1-4-4.5 by this act.

(b) Notwithstanding 50 IAC 21-3-2(b), the department of local government finance shall notify each county assessor of a deadline for:

(1) the determination of annual adjustments in the county under 50 IAC 21-3-2 for the 2006 assessment date; and

(2) the submission of the annual adjustments to the department for review and certification under IC 6-1.1-4-4.5, as amended by this act.

(c) This SECTION expires January 1, 2008.

SECTION 24. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

(1) that were granted an exemption under IC 6-1.1-10 from property taxes first due and payable in 2001;

(2) that were owned by a sorority and used by the sorority to carry out its purposes during the period relevant to the determination of exemption from property taxes under IC 6-1.1-10-24 for the assessment dates in 2002 and 2003;

(3) for which a property tax liability was imposed for property taxes first due and payable in 2003 and 2004 that in total exceeded sixty thousand dollars (\$60,000); and

(4) that would have qualified for an exemption under IC 6-1.1-10-24 from property taxes first due and payable in 2003 and 2004 if the owner had complied with the filing requirements for the exemption in a timely manner.

(c) The land and improvements described in subsection (b) are exempt under IC 6-1.1-10-24 from property taxes first due and payable in 2003 and 2004, notwithstanding that the taxpayer failed to make a timely application for the exemption for those years.

(d) The taxpayer may file claims with the county auditor for a refund for the amounts paid toward property taxes on the land and improvements described in subsection (b) that were billed to the taxpayer for property taxes first due and payable in 2003 and 2004.

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1 The claim must be filed as set forth in IC 6-1.1-26-1(1) through
2 IC 6-1.1-26-1(3). The claims must present sufficient facts for the
3 county auditor to determine:

4 (1) whether the claimant meets the qualifications described in
5 subsection (b); and

6 (2) the amount that should be refunded to the taxpayer.

7 (e) Upon receiving a claim filed under this SECTION, the
8 county auditor shall determine whether the claim is correct. If the
9 county auditor determines that the claim is correct, the county
10 auditor shall submit the claim under IC 6-1.1-26-3 to the county
11 board of commissioners for review. The only grounds for
12 disallowing the claim under IC 6-1.1-26-4 are that the claimant is
13 not a person that meets the qualifications described in subsection
14 (b) or that the amount claimed is not the amount due to the
15 taxpayer. If the claim is allowed, the county auditor shall, without
16 an appropriation being required, issue a warrant to the claimant
17 payable from the county general fund for the amount due the
18 claimant under this SECTION. The amount of the refund must
19 equal the amount of the claim allowed. Notwithstanding
20 IC 6-1.1-26-5, no interest is payable on the refund.

21 (f) This SECTION expires December 31, 2008.

22 SECTION 25. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 327, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2000, and be the basis for taxes payable in 2003.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, ~~2007~~, **2009**, and each ~~fourth~~ **fifth** year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1, of the ~~immediately following odd-numbered~~ year **that succeeds by two (2) years the year in which the general reassessment begins;** and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials and members of each county property tax assessment board of appeals are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general reassessment to the county and township taxing officials of each county."

Page 2, between lines 16 and 17, begin a new paragraph and insert:

"(d) The department of local government finance must review and certify each annual adjustment determined under this section.

SECTION 3. IC 6-1.1-4-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) For purposes of this section, "assessor" means:

(1) a township assessor; or

(2) a county assessor who assumes the responsibility for verifying sales under 50 IAC 21-3-2(b).

(b) The department of local government finance shall provide training to assessors and county auditors with respect to the verification of sales disclosure forms under 50 IAC 21-3-2."

Page 2, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Subject to the

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approval of the department of local government finance and the requirements of section ~~18(a)~~ **18.5** of this chapter, a:

- (1) township assessor; or
- (2) group consisting of the county assessor and the township assessors in a county;

may employ professional appraisers as technical advisors. **A decision by one (1) or more assessors referred to in subdivisions (1) and (2) to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.**

(b) After notice to the county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

- (1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;
- (2) appoint an assessor or a group of assessors to:
 - (A) enter into and administer the contract with a professional appraiser employed under this section; and
 - (B) oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations ~~contained~~ in section ~~18(a)~~ **18.5** of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7."

Page 2, line 34, after "(a)" insert **"For calendar year 2005 and each preceding calendar year,"**.

Page 2, line 34, delete "The" and insert "the".

Page 2, line 37, strike "is required to levy under this section in" and insert **"levies for"**.

Page 2, strike lines 39 through 42.

Page 3, strike lines 1 through 6.

Page 3, between lines 6 and 7, begin a new paragraph and insert:

"(b) For property taxes first due and payable in 2006 and each subsequent calendar year, the fiscal body of each county shall impose a property tax levy sufficient, after consideration of other

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funds available for the purpose, to pay costs referred to in section 28.5(a) of this chapter in the calendar year."

Page 3, line 7, strike "(d)" and insert "(c)".

Page 3, strike lines 15 through 22.

Page 3, line 23, delete "(f)" and insert "(d)".

Page 3, line 24, delete "permitted".

Page 3, line 25, delete "for the reassessment fund".

Page 3, line 33, delete "(g)" and insert "(e)".

Page 3, line 34, delete "(f)," and insert "(d),".

Page 3, line 41, after "chapter" insert **"and money from property taxes imposed under section 27.5(b) of this chapter"**.

Page 4, line 21, after "fund" insert ".".

Page 4, line 21, strike "until the money is needed to pay general reassessment expenses."

Page 4, line 23, after "fund." insert **"The county treasurer shall transfer the balance in the county property reassessment fund as of December 31, 2005, to the county general fund."**

Page 4, strike lines 24 through 29.

Page 4, between lines 29 and 30, begin a new paragraph and insert:
"SECTION 8. IC 6-1.1-4-31 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

- (1) a general reassessment of property;
- (2) **work required to be performed by local officials under 50 IAC 21; and**
- (3) **other property assessment activities in the county, as determined by the department.**

The department of local government finance may inform township assessors, county assessors, and the presidents of county councils in writing if its check reveals that the general reassessment ~~is or other property assessment activities are~~ not being properly conducted, **work required to be performed by local officials under 50 IAC 21 is not being properly conducted**, or if property assessments ~~under the general reassessment~~ are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that:

- (1) the general reassessment ~~is or other property assessment activities are~~ being properly conducted;
- (2) **work required to be performed by local officials under 50 IAC 21 is being properly conducted;** or ~~that~~
- (3) property assessments ~~under the general reassessment~~ are being

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properly made.

(c) If the department of local government finance:

(1) determines under subsection (a) that a general reassessment or other assessment activities for a general reassessment year or any other year are not being properly conducted; and

(2) informs:

(A) the township assessor or each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may order a state conducted assessment or reassessment under section 31.5 of this chapter.

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor or each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted.

(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

SECTION 9. IC 6-1.1-4-31.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.5. (a) As used in this section, "assessment official" means any of the following:

(1) A county assessor.

(2) A township assessor.

(3) A township trustee-assessor.

(b) As used in this section, "department" refers to the department of local government finance.

(c) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county.

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(d) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county's assessment officials. Notwithstanding sections 15 and 17 of this chapter, an assessment official in a county subject to an order issued under this section may not assess property or have property assessed for the assessment or general reassessment. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of an assessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(e) Before assuming the duties of a county's assessment officials, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county's assessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(f) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising

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firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

(1) is as valid as if it had been entered into by the department; and

(2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

(1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and

(2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from county funds. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under

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subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

(l) If county funds are insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as

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determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessment officials of the land values determined under this subsection.

(n) A contractor of the department may notify the department if:

- (1) a county auditor fails to:
 - (A) certify the contractor's bill;
 - (B) publish the contractor's claim;
 - (C) submit the contractor's claim to the county executive;
 - or
 - (D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (j) at the county auditor's first legal opportunity to do so;

- (2) a county executive fails to allow the contractor's claim as legally required by subsection (j) at the county executive's first legal opportunity to do so; or

- (3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(o) The department, upon receiving notice under subsection (n) from a contractor of the department, shall:

- (1) verify the accuracy of the contractor's assertion in the notice that:

- (A) a failure occurred as described in subsection (n)(1) or (n)(2); or

- (B) a person or an entity acted or failed to act as described in subsection (n)(3); and

- (2) provide to the treasurer of state the department's approval under subsection (j)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (n).

(p) Upon receipt of the department's approval of a contractor's bill under subsection (o), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of

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admissions taxes or wagering taxes.

(q) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or any other law to a county described in a notice provided under subsection (n) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (p). Money shall be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.

(r) Compliance with subsections (n) through (q) constitutes compliance with IC 5-11-10.

(s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (n) through (q). This subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 10. IC 6-1.1-4-31.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.6. (a) Subject to the other requirements of this section, the department of local government finance may:

- (1) negotiate an addendum to a contract referred to in section 31.5(g) of this chapter that is treated as a contract of the department; or
- (2) include provisions in a contract entered into by the department under section 31.5(g) of this chapter;

to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

- (1) discuss the specifics of the taxpayer's assessment or reassessment;
- (2) review the taxpayer's property record card;
- (3) explain to the taxpayer how the assessment or reassessment was determined;
- (4) provide to the taxpayer information about the statutes,

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rules, and guidelines that govern the determination of the assessment or reassessment;

(5) note and consider objections of the taxpayer;

(6) consider all errors alleged by the taxpayer; and

(7) otherwise educate the taxpayer about:

(A) the taxpayer's assessment or reassessment;

(B) the assessment or reassessment process; and

(C) the assessment or reassessment appeal process under section 31.7 of this chapter.

(c) Following an informal hearing referred to in subsection (b), the contractor shall:

(1) make a recommendation to the department of local government finance as to whether a change in the reassessment is warranted; and

(2) if recommending a change under subdivision (1), provide to the department a statement of:

(A) how the changed assessment or reassessment was determined; and

(B) the amount of the changed assessment or reassessment.

(d) To preserve the right to appeal under section 31.7 of this chapter, a taxpayer must initiate the informal hearing process by notifying the department of local government finance or its designee of the taxpayer's intent to participate in an informal hearing referred to in subsection (b) not later than forty-five (45) days after the department of local government finance gives notice under section 31.5(h) of this chapter to taxpayers of the amount of the reassessment.

(e) The informal hearings referred to in subsection (b) must be conducted:

(1) in the county where the property is located; and

(2) in a manner determined by the department of local government finance.

(f) The department of local government finance shall:

(1) consider the recommendation of the contractor under subsection (c); and

(2) if the department accepts a recommendation that a change in the assessment or reassessment is warranted, accept or modify the recommended amount of the changed assessment or reassessment.

(g) The department of local government finance shall send a notice of the result of each informal hearing to:

(1) the taxpayer;

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- (2) the county auditor;
- (3) the county assessor; and
- (4) the township assessor of the township in which the property is located.

(h) A notice under subsection (g) must:

- (1) state whether the assessment or reassessment was changed as a result of the informal hearing; and
- (2) if the assessment or reassessment was changed as a result of the informal hearing:
 - (A) indicate the amount of the changed assessment or reassessment; and
 - (B) provide information on the taxpayer's right to appeal under section 31.7 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the assessment or reassessment under section 31.5(h) of this chapter:

- (1) the department may not change the amount of the assessment or reassessment under the informal hearing process described in this section; and
- (2) the taxpayer may appeal the assessment or reassessment under section 31.7 of this chapter.

(j) The department of local government finance may adopt rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under section 31.5(i) of this chapter.

SECTION 11. IC 6-1.1-4-31.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment or reassessment under section 31.5(h) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

- (1) participate in the informal hearing process under section

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31.6 of this chapter;

(2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or

(B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

(3) evidence necessary to warrant a change to an assessment or reassessment.

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county property reassessment fund.

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

(1) set a hearing date;

(2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:

(A) the taxpayer;

(B) the department of local government finance;

(C) the township assessor; and

(D) the county assessor;

(3) conduct a hearing and hear all evidence submitted under this section; and

(4) make evidentiary findings and file a report with the

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Indiana board.

(h) At the hearing under subsection (g):

(1) the taxpayer shall present:

(A) the taxpayer's evidence that the assessment or reassessment is incorrect;

(B) the method by which the taxpayer contends the assessment or reassessment should be correctly determined; and

(C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and

(2) the department of local government finance shall present its evidence that the assessment or reassessment is correct.

(i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).

(j) The township assessor and the county assessor may attend and participate in the hearing under subsection (g).

(k) The Indiana board may:

(1) consider the report of the special masters under subsection (g)(4);

(2) make a final determination based on the findings of the special masters without:

(A) conducting a hearing; or

(B) any further proceedings; and

(3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.

(l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:

(1) establish procedures to expedite:

(A) the conduct of hearings under subsection (g); and

(B) the issuance of determinations of appeals under subsection (k); and

(2) establish deadlines:

(A) for conducting hearings under subsection (g); and

(B) for issuing determinations of appeals under subsection (k).

(m) A determination by the Indiana board of an appeal under subsection (k) is subject to appeal to the tax court under IC 6-1.1-15.

SECTION 12. IC 6-1.1-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) Except as

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provided in subsection (b), before an owner of real property demolishes, structurally modifies, or improves it at a cost of more than five hundred dollars (\$500) for materials or labor, or both, the owner or the owner's agent shall file with the county assessor in the county where the property is located an assessment registration notice on a form prescribed by the department of local government finance.

(b) If the owner of the real property, or the person performing the work for the owner, is required to obtain a permit from an agency or official of the state or a political subdivision for the demolition, structural modification, or improvement, the owner or the person performing the work for the owner is not required to file an assessment registration notice.

(c) Each state or local government official or agency shall, before the tenth day of each month, deliver a copy of each permit described in subsection (b) to the assessor of the county in which the real property to be improved is situated.

(d) Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.

(e) A fee of five dollars (\$5) shall be charged by the county assessor for the filing of the assessment registration notice. All fees collected by the county assessor:

(1) before January 1, 2006, shall be deposited in the county property reassessment fund; and

(2) after December 31, 2005, shall be deposited in the county general fund.

(f) A township or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

(g) Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty

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to the county assessor at the time the person files the late registration notice.

SECTION 13. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.1-2004, SECTION 10, AND AS AMENDED BY P.L.23-2004, SECTION 11, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training **and administration** fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in *the* fund may be used by:

(1) the department of local government finance to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; ~~The fund shall be administered by the treasurer of state; or~~

(2) the Indiana board to:

(A) conduct appeal activities; or

(B) pay for appeal services.

~~(b) The expenses of administering the fund shall be paid from money in the fund;~~

~~(c) (b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund;~~

~~(d) (c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.~~

SECTION 14. IC 6-1.1-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all

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parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund **or other funds available for assessment or reassessment purposes** under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(b) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(c) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

- (1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and
- (2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(c) of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, and the county auditor:

- (1) notice, by mail, of its final determination;

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- (2) a copy of the form completed under subsection (c); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of ninety (90) days after the hearing or the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of one hundred eighty (180) days after the hearing or the date set in an extension order issued by the Indiana board.

(i) Except as provided in subsection (n), the Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to make a final determination; or
- (2) petition for judicial review under section 5(g) of this chapter.

(j) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under

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subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(l) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

(o) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 15. IC 6-1.1-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the

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proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

- (1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and
- (2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If ~~of~~ the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the property reassessment fund **or other funds available for assessment or reassessment purposes** under IC 6-1.1-4-27.5. In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the

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original assessment determination under appeal under this section is a party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

- (1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or
- (2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor.

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

- (1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and
- (2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

- (1) a judicial proceeding is initiated under this subsection; and
- (2) the Indiana board has not issued a determination;

the tax court shall determine the matter de novo.

SECTION 16. IC 6-1.1-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

- (1) each county's total eligible property tax replacement amount for that year; plus
- (2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year;

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(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments

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included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (f) **(g) and subject to subsection (h)**, the department shall not distribute under subsection (b) and section 10 of this chapter **a percentage determined by the department of the money attributable to the county's property reassessment fund that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:**

- (1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;
- (2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section; ~~or~~
- (3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);
- (4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under IC 6-1.1-5.5-3(b);**
- (5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);**
- (6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;**
- (7) the elected township assessors in the county, the elected township assessors and the county assessor, or the county**

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assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i) if the elected township assessors in the county; the elected township assessors and the county assessor; or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b); the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by October 1 as described in this section bears to the total number of townships in the county.

(g) **(f) Except as provided in subsection (i),** money not distributed for the reasons stated in subsection (c)(1) and (c)(2) (c) shall be distributed to the county when

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);

with respect to which the failure to send or forward resulted in the withholding of the distribution under subsection (c).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county; the elected township assessors and the county assessor; or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f): **determines that the failure to:**

(1) provide information; or

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**(2) pay a bill for services;
has been corrected.**

(i) (g) The restrictions on distributions under ~~subsections~~
subsection (e) and (f) do not apply if the department of local
government finance determines that

(1) the failure of:

(A) a county auditor to send a certified statement; or

**(B) a county assessor to forward copies of all approved
exemption applications;**

as described in subsection (e); or

**(2) the failure of an official to transmit data as described in
subsection (f);**

to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

**(h) The department shall give the county auditor at least thirty
(30) days notice in writing before withholding a distribution under
subsection (e).**

**(i) Money not distributed for the reason stated in subsection
(e)(6) may be deposited in the fund established by
IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not
subject to distribution under subsection (f).**

SECTION 17. IC 6-1.1-31.5-2 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **Subject to
section 3.5(e) of this chapter**, the department shall adopt rules under
IC 4-22-2 to prescribe computer specification standards and for the
certification of:

(1) computer operating systems;

(2) computer software;

(3) software providers;

(4) computer service providers; and

(5) computer equipment providers.

(b) The rules of the department shall provide for:

(1) the effective and efficient administration of assessment laws;

(2) the prompt updating of assessment data;

**(3) the administration of information contained in the sales
disclosure form, as required under IC 6-1.1-5.5; and**

**(4) other information necessary to carry out the administration of
the property tax assessment laws.**

**(c) After December 31, 1998, subject to section 3.5(e) of this
chapter**, a county may contract only for computer software and with

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software providers, computer service providers, and equipment providers that are certified by the department under the rules described in subsection (a).

(d) The initial rules under this section must be adopted under IC 4-22-2 before January 1, 1998.

SECTION 18. IC 6-1.1-31.5-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3.5. (a) After December 31, 1998, **and until the system described in subsection (e) is implemented**, each county shall maintain a state certified computer system that has the capacity to:

- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices;
- (4) maintain complete and accurate assessment records for the county; and
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor in the county except in a county with a township assessor elected under IC 36-6-5-1 in every township. In a county with an elected township assessor under IC 36-6-5-1 in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.

(b) All information on ~~the~~ **a** computer system **referred to in subsection (a)** shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the department of local government finance; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system **referred to in subsection (a)** used by the counties must be:

- (1) compatible with the data export and transmission requirements in a standard format prescribed by the department of local government finance; ~~The certified system must be and~~
- (2) maintained in a manner that ensures prompt and accurate transfer of data to the department.

(d) All standardized property forms and notices on the certified computer system **referred to in subsection (a)** shall be maintained by the township assessor and the county assessor in an accessible location

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and in a format that is easily understandable for use by persons of the county.

(e) The department shall adopt rules before July 1, 2006, for the establishment of:

(1) a uniform and common property tax management system among all counties that:

(A) includes mass appraisal systems integrated with county auditor systems and county treasurer systems; and

(B) replaces the computer system referred to in subsection (a); and

(2) a schedule for implementation of the system referred to in subdivision (1) structured to result in the implementation of the system in all counties with respect to an assessment date:

(A) determined by the department; and

(B) specified in the rule.

(f) The department shall appoint an advisory committee to assist the department in the formulation of the rules referred to in subsection (e). The department shall determine the number of members of the committee. The committee:

(1) must include at least:

(A) one (1) township assessor;

(B) one (1) county assessor; and

(C) one (1) county auditor; and

(2) shall meet at times and locations determined by the department.

(g) Each member of the committee appointed under subsection (f) who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) Each member of the committee appointed under subsection (f) who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(i) The department shall report to the budget committee in writing the department's estimate of the cost of implementation of

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the system referred to in subsection (e)."

Page 4, line 36, before "may" insert "**in a county**".

Page 4, line 36, delete "before a" and insert "**with respect to property subject to property taxes in the county before the**".

Page 4, line 37, after "appeals" insert "**of that county**".

Page 4, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

- (1) the total assessed valuation of the real property within the township or county; and
- (2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

- (1) the total assessed valuation of the personal property within the township or county; and
- (2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

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(f) If:

- (1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and
- (2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

- (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or
- (2) IC 6-1.1-14.

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

- (1) cause the assessment of the property to be adjusted;
- (2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and
- (3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund **or other funds available for assessment or reassessment purposes.**

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SECTION 21. IC 6-1.1-35.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. A county that is required to make a payment to an assessing official, a county assessor, or member of, and hearing officers for, the county property tax assessment board of appeals under this chapter must make the payment regardless of an appropriation. The payment may be made from the county's cumulative reassessment fund **or other funds available for assessment or reassessment purposes.**

SECTION 22. P.L.245-2003, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: (a) Notwithstanding IC 6-1.1-5.5-4(a), a person filing a sales disclosure form under IC 6-1.1-5.5 with respect to a sale of real property that occurs:

(1) after December 31, 2003; and

(2) before January 1, ~~2006~~; **2010**;

shall pay a fee of ten dollars (\$10) to the county auditor.

(b) Notwithstanding IC 6-1.1-5.5-4(b) and IC 6-1.1-5.5-12(d), fifty percent (50%) of the revenue collected under:

(1) subsection (a); and

(2) IC 6-1.1-5.5-12;

for the period referred to in subsection (a) shall be deposited in the county sales disclosure fund established under IC 6-1.1-5.5-4.5. Ten percent (10%) of the revenue **collected before July 1, 2005**, shall be transferred to the treasurer of state for deposit in the assessment training **and administration** fund established under IC 6-1.1-5.5-4.7. Forty percent (40%) of the revenue **collected before July 1, 2005**, shall be transferred to the treasurer of state for deposit in the state general fund. **Fifty percent (50%) of the revenue collected after June 30, 2005, shall be transferred to the assessment training and administration fund established under IC 6-1.1-5.5-4.7.**

(c) The department of local government finance may provide training of assessment officials and employees of the department through the Indiana chapter of the International Association of Assessing Officers on various dates and at various locations in Indiana.

(d) This SECTION expires January 1, ~~2007~~; **2010**."

Page 4, line 40, after "Notwithstanding" insert "**subsection (b) or**".

Page 5, line 6, delete "." and insert "**that applied before the amendment of IC 6-1.1-4-4.5 by this act.**

(b) Notwithstanding 50 IAC 21-3-2(b), the department of local government finance shall notify each county assessor of a deadline for:

(1) the determination of annual adjustments in the county

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under 50 IAC 21-3-2 for the 2006 assessment date; and
 (2) the submission of the annual adjustments to the department for review and certification under IC 6-1.1-4-4.5, as amended by this act."

Page 5, line 7, delete "(b)" and insert "(c)".

Page 5, line 7, delete "2007." and insert "2008."

SECTION 24. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

- (1) that were granted an exemption under IC 6-1.1-10 from property taxes first due and payable in 2001;
- (2) that were owned by a sorority and used by the sorority to carry out its purposes during the period relevant to the determination of exemption from property taxes under IC 6-1.1-10-24 for the assessment dates in 2002 and 2003;
- (3) for which a property tax liability was imposed for property taxes first due and payable in 2003 and 2004 that in total exceeded sixty thousand dollars (\$60,000); and
- (4) that would have qualified for an exemption under IC 6-1.1-10-24 from property taxes first due and payable in 2003 and 2004 if the owner had complied with the filing requirements for the exemption in a timely manner.

(c) The land and improvements described in subsection (b) are exempt under IC 6-1.1-10-24 from property taxes first due and payable in 2003 and 2004, notwithstanding that the taxpayer failed to make a timely application for the exemption for those years.

(d) The taxpayer may file claims with the county auditor for a refund for the amounts paid toward property taxes on the land and improvements described in subsection (b) that were billed to the taxpayer for property taxes first due and payable in 2003 and 2004. The claim must be filed as set forth in IC 6-1.1-26-1(1) through IC 6-1.1-26-1(3). The claims must present sufficient facts for the county auditor to determine:

- (1) whether the claimant meets the qualifications described in subsection (b); and
- (2) the amount that should be refunded to the taxpayer.

(e) Upon receiving a claim filed under this SECTION, the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the county auditor shall submit the claim under IC 6-1.1-26-3 to the county board of commissioners for review. The only grounds for

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disallowing the claim under IC 6-1.1-26-4 are that the claimant is not a person that meets the qualifications described in subsection (b) or that the amount claimed is not the amount due to the taxpayer. If the claim is allowed, the county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this SECTION. The amount of the refund must equal the amount of the claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable on the refund.

(f) This SECTION expires December 31, 2008."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 327 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

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